

Amendment No. 10 to SB0611

**Tracy
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 611*

House Bill No. 653

By adding the following language to precede the final section and by renumbering the remaining sections accordingly:

SECTION ___. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§ 49-4-9___.

(a) There is established a scholarship program to provide eligible Tennessee students the opportunity to attend an accredited school of medicine, including allopathic and osteopathic medical schools, located in the state and to become certified practitioners rendering medical service in the state.

(b) The Tennessee student assistance corporation may award scholarships, to the extent funds are available for that purpose, to persons who declare an intent to become physicians and practice in the state and who are eligible under subsection (c) of this section.

(c) The corporation may award scholarships to students who meet the following criteria:

(1) Students who are United States and Tennessee citizens and Tennessee residents as defined by regulations promulgated by the board of regents or the University of Tennessee system;

(2) Students who are enrolled or accepted for enrollment in a public or private school of medicine providing an eligible program of study accredited by the Liaison Committee on Medical Education, or its successor, or in a public or private school of medicine providing an eligible program of study accredited by the Bureau of Professional

Education of the American Osteopathy Association or its successor, on a full-time basis, or eligible students who have a disability defined by Title II of the Americans with Disabilities Act, 42 U.S.C. §12131 et seq., certified by a licensed physician to be unable to attend the eligible program of study full-time because of the disability;

(3) Students who agree to render one (1) year of qualified service in a health resource shortage area in the state for each year the scholarship was awarded after becoming a Tennessee licensed physician or osteopathic physician. "Qualified service" means a full-time practice in the state of Tennessee as a licensed physician practicing allopathic or osteopathic medicine for a majority of the calendar year in the fields of family practice, general practice, general internal medicine, general pediatrics, general obstetrics, or gynecology, except that an individual having a disability defined by Title II of the Americans with Disabilities Act, 42 U.S.C. § 12131 et seq., whose disability, certified by another licensed physician, prevents such individual from practicing full-time, shall be deemed to perform qualified service by practicing the maximum time permitted by the attending physician; and

(4) Students who sign a promissory note as evidence of the scholarship awarded and the obligation to repay the scholarship amount or render medical service as agreed in lieu of payment.

(d) The amount of the scholarship awarded by the corporation to an eligible student attending an eligible school of medicine, whether public or private, shall not exceed twelve thousand dollars (\$12,000) per academic year.

(e) The corporation shall require a promissory note to be executed by the student as evidence of the obligation. The recipient shall render one (1) year of qualified service for each year the scholarship was awarded. Upon completion of each year of qualified service, the corporation shall cancel the appropriate

number of promissory notes. Promissory notes shall be canceled by qualified service in the order in which the promissory notes were executed. Qualified service credit shall not include residency service. In the event a recipient fails to complete an eligible program of study, or fails to render qualified medical service in a health resource area as a licensed physician as agreed in subsection (c) of this section, the recipient shall be liable for the total repayment of the sum of all outstanding promissory notes and accrued interest.

(f) A scholarship shall not be awarded or a promissory note cancellation shall not be granted to any person who is in default on any obligation to the corporation under any program administered by the corporation pursuant to title 49, chapter 4, until financial obligations to the corporation are satisfied, except that ineligibility for this reason may be waived by the corporation for cause.

(g) A repayment obligation imposed by this section shall not be voidable by reason of the age of the recipient at the time of executing the promissory note.

(h) Failure to meet repayment obligations imposed by this section shall be cause for the revocation of the scholarship recipient's license to practice medicine, subject to the procedures of § 4-5-320.

(i) Notwithstanding any other statute to the contrary, the maximum interest rate applicable to repayment of a promissory note under this section shall be twelve percent (12%) per annum, except that if a judgment is rendered to recover payment, the judgment shall bear interest at the rate of five percent (5%) greater than the rate actually charged on the promissory note.

(j) No more than five (5) scholarships in any academic class shall be available at each eligible school of medicine under this section and no more than twenty-five (25) such scholarships in any academic class shall be available statewide beginning with the academic class entering medical school in 2008-2009. Such scholarships shall be awarded equally, to the extent possible, to eligible students among eligible schools of medicine located in the state;

provided, however, if fewer than five (5) scholarships are awarded in an academic class at an eligible school of medicine in a given academic year, then any such unawarded scholarship may be awarded to an eligible student at another eligible school of medicine, subject to rules and regulations promulgated by the corporation.

(k) The Tennessee student assistance corporation, in conjunction with the Tennessee board of medical examiners and board of osteopathic examination, is authorized to promulgate rules and regulations for the management and administration of the program, including the execution of appropriate contracts and promissory notes, the terms of promissory notes, cancellation of the obligation, the rate of repayment and deferment of repayment of outstanding debt, the selection of recipients, considering such factors as the academic record of the applicant, and the priority of awarding scholarships if funds are insufficient to award the maximum number of scholarships as permitted under subsection (j).

(l) This program shall be available for participants beginning July 1, 2008, after rules have been promulgated. The Tennessee student assistance corporation is authorized to use public necessity rulemaking in accordance with Section 4-5-209(a)(4) as appropriate.

(m) The medical scholarship program provided for in this section and costs incurred by the Tennessee student assistance corporation in administering such program shall be funded in the general appropriations act from net lottery proceeds in an amount not to exceed three hundred thousand dollars (\$300,000) in recurring funds per academic class or one million two hundred thousand dollars (\$1,200,000) per academic year in recurring funds in the fourth year of the program's operation and thereafter.

(n) As used in this section, "health resource shortage area" means an area determined as a health resource shortage area by the department of health, office of rural health.

